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Microenterprise Development: Traditional Skills and the Reduction of Poverty in Highland Nepal

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Abstract

A cottage industry (CI) programme in east Nepal based on traditional textiles and basketry produced substantial and continuing benefits in terms of income generation, environmental conservation and the development of local, grassroots initiatives particularly through encouraging the participation of women. This paper argues that in highland Nepal, and probably in other similar areas, such projects are among the most effective means of achieving these objectives, and discusses the factors that have to be considered in designing such a programme—gender, raw materials, institutions, equipment, product development and marketing, training, accessibility, government policies and sociological and religious aspects.

Introduction

The cottage industries component of the UK/Government of Nepal integrated rural development programme KHARDEP (Koshi Hill Area Rural Development Programme) probably brought greater benefit to the rural people relative to its cost than any other UK-financed project in Nepal. This was principally a result of the phenomenal expansion of dhaka cloth production inspired and catalysed by the Programme. This benefitted not only many people in the Programme area (particularly in Terhathum District, a traditional dhaka cloth weaving centre) but also in other parts of the Kingdom. The impact of the work has continued for over a decade after the Programme's support ended. There have been lesser but still significant impacts on woven and knitted items made from the yarn obtained from the Himalayan Giant Nettle (*Girardinia diversifolia* or allo), bamboo basketry and embroidered items.The benefits of such activities arise in three areas—income generation, the related poverty reduction and, by reducing pressure on land resources and in some cases encouraging soil conservation, environmental protection.The KHARDEP experience from 1980 to 1986 showed that financial support may be a relatively minor constituent of any successful cottage industry programme. Yet, in spite of its success, support for cottage industries or indigenous technology was not continued in later phases of the Programme. In the event this probably did not adversely effect the expansion of dhaka cloth production but it did severely limit the development of allo products and probably also that of basketry and embroidered cloth. This paper reviews some of the key inputs for a successful programme and argues that their potential has for too long been overlooked or disparaged.

Cottage Industries and the Koshi Hill Programme

In planning its cottage industry programme, KHARDEP attempted both directive and process-focused planning. The former, undertaken by the Department of Cottage and Village Industries, was unsuccessful in many cases, principally because of a lack of motivation on the part of trainees, the shortage of experienced trainers and suitable equipment, and insufficient help from credit agencies and others in enabling trainees to establish themselves (Dunsmore 1998). A more recent attempt, along similar lines, involving allo weavers has also run into difficulties. Van der Werf (1996) attributed this to problems of transportation, lack of information, education, institutional capacity and marketing: these are aspects that can affect other types of project. Possible ways of resolving them are discussed below. Process-focused planning involved support to dhaka weavers, weavers and knitters using yarn obtained from the naturally-occurring allo or Himalayan Giant Nettle, embroiderers from the village of Santang (Atpare Rai women), bamboo basketry workers and the innovative use of the long needles of the chir pine, *Pinus roxburghii*, for mats and baskets. Experience with the dhaka weavers, allo weavers and

knitters and the Santang embroiderers will be used to illustrate the points raised in this paper.

Background

The people in greatest need of assistance with income generation, of whom the people of the Koshi hills are representative, are predominantly households farming at or below subsistence level. They live in isolated areas, in most cases accessible only on foot along paths which are often steep, uneven and unstable with river crossings undertaken over insubstantial bridges. Government technical services are only rudimentary and literacy rates among the people are low. Some of the communities are culturally homogeneous but many include a variety of ethnic groups and castes.

Aspects to be Addressed

Gender

Textile production (weaving, knitting, embroidery) is largely undertaken by women. Throughout the mountain areas their position is characterized by heavy responsibilities in the household and on the farm. They are also usually required to undertake the often physically exhausting and time-consuming tasks of collecting water, fuelwood and fodder. They possess few assets and have received little or no formal education. Nevertheless, Rai and Limbu women play a prominent role in the market economy of the Koshi hills often outnumbering men in selling produce at the periodic *hat bazars*. These women, like the majority of people who live in highland Nepal (the Middle Mountains, 700-2000 metres and the High Mountains, 2000-3500 metres), belong to the Tibeto-Burman groups. Such women have considerably more decision-making responsibility than women of the Indo-Aryan groups. They are thus in a better position to take advantage of any opportunities that may arise. This was exemplified by the response of women to an extension programme on vegetable growing by Pakhribas Agricultural Centre, Dhankuta District, in the early 1980s. The Tibeto-Burman response was to recognise it as a good proposal and decide to adopt it. The Indo-Aryans referred the matter to their husbands.

Which ever group is involved, it is essential to take account of the whole range of the rural woman's activities—household, agricultural and others. Acharya and Bennett's (1981) findings that the rural women's total work burden averages 10.81 hours per day (compared to 7.51 hours for men) is unlikely to have changed for the better in recent years. This burden can be reduced by the establishment of drinking water supply schemes, food processing machinery and private or community forestry programmes to meet fodder and fuelwood needs. (Once established CI projects can also reduce women's workloads through enabling them to engage helpers and also buy in some of the family's food requirements.) KHARDEP also found that achieving functional literacy gave women a notable and beneficial boost to self-confidence, particularly valuable in a population where there is a cultural preference for sons (who will look after their parents in old age) and the notion that one is ill-fated to be born a woman is still held in some communities.

Until relatively recently there were few women from rural areas educated to a level where they could work as teachers and trainers. Most educated women came from the Kathmandu Valley or the southern plains (terai) and were reluctant to serve in the highlands. Lower caste women may also have difficulty working in some communities. Older people may still disapprove of a woman travelling on her own. CI have the advantage over other sectors that the best trainers are often the practitioners, who lack formal qualifications but have both the skills and the understanding of the circumstances in which the work will be done. Their possible valuable input is illustrated below.

Raw Materials

Historically, the raw materials employed for craftwork were those available locally and suitable for the users' specific needs. Thus for clothing, cotton would be grown in the sub-tropical south; in the temperate north, sheep's wool and yak hair would be used. This remains the situation for the allo weavers and knitters and also for the bamboo basketry workers. With the rise in population, all available arable land in the Middle Hills has to be used for food production and very little cotton is now grown, so the dhaka weavers have to buy most of their yarn from outside. Until the early 1980s, it was bought in from India. This was unsatisfactory as supplies were uncertain, it was difficult to get the range of colours needed for the new designs and, occasionally, it was found that the colours were not fast. The problem was resolved when a firm in Dharan, east Nepal, opened up and, using Indian lint, did their own spinning and dyeing. Initially a small revolving fund was established to enable weavers to buy their yarn. However, yarn is a relatively inexpensive component and dhaka weavers were able to buy their needs without requiring loans.

Allo is a component of the natural forest ecosystem. Usufructuary rights to it and other forest resources were established over generations under the traditional leaders of the community: they can be very complicated. Different groups of people may utilise different products—poles and timber used for construction and farm implements, fuelwood, fodder, medicinal and aromatic plants, litter (for compost) and naturally occurring foodstuffs (plants, fungi and wildlife). Those most heavily dependent on these resources, particularly the poorest women, are the least articulate members of the community. In recent decades, the authority of the traditional leaders has been challenged and often eroded, first by the Partyless Panchayats (wherever the people involved were different from the traditional leaders) and now by political parties. Traditional rights may therefore be ignored or over-ridden particularly where a

resource historically used for domestic purposes becomes a potential source of cash income, as is the case with allo and bamboo. Where it seems necessary to formally recognize rights it is vital that longstanding arrangements are only interfered with in response to a clear need defined by all those involved and only when the situation is fully understood. A huge body of information on the subject has been gathered over the last decade as a result of the community forestry programme. Currently, allo weavers and knitters appear to have adequate supplies available but there may be groups where this position changes and additional natural stands or planted areas will be needed. (For convenience some weavers have already planted allo near their homes. Planted allo is also found as a boundary marker). Another approach would be to improve extraction rates. It has been estimated that only 60% of the fibre is recovered using current methods (Shrestha 1994).

Allo and bamboo have the advantage over other Non-Timber Forest Products (NTFPs), such as medicinal and aromatic plants, that they can be processed by the collector often to the point of being ready for retail sale. This means that the poor, rural dweller is in a position to get the maximum value added to their product. It has also meant that, as with dhaka cloth, sales have often been made to the eventual outlet without the use of middlemen. Dhaka and allo weavers and basketmakers have been able to sell their products directly to Kathmandu. With medicinal herbs, the trading chain often involves four middlemen between the primary collector and the Indian end user.

Equipment

In many cases, new equipment may need to be introduced as labour-saving devices or to increase the range or improve the quality of items produced. Where possible such items should be capable of being built locally and be easy to operate and maintain. Examples of the introduction of labour-saving devices for the dhaka weavers were the introduction of warping mills and roller shuttles. KHARDEP supplied one warping mill to a group of weavers in Terhathum. When they found that this was helpful, they were able to have additional mills made locally. Roller shuttles were within the means of most weavers.

With the allo weavers the first breakthrough came during a KHARDEP workshop in 1984 with the production of a tweed-like cloth with an allo warp and a (local) wool weft. Traditionally allo was woven on a back-strap loom and cotton on a four-shaft treadle loom. Weaving the tweed was achieved by putting an allo warp on the treadle loom, using wool as weft; on the first occasion this was done by the weaver, Purba Kumari Rai, who used a traditional allo pattern (*gimte*). The result aroused wide interest and many other weavers quickly adopted the new technique: no new equipment was needed (Dunsmore 1993). At the same workshop, the more study Tibetan/Sherpa wooden frame loom was introduced for weaving 'tweed': this loom is also easy to dismantle and store or transport.

Problems are likely to arise when any new equipment or service involves capital outlay to meet which a loan is needed. Such a project, in this case a hydro-electric scheme, has been implemented successfully by the Annapurna Conservation Area Project (ACAP) in Ghandruk village, Kaski District, where the project has its headquarters. This followed a feasibility study in 1987/88. The success has been attributed (Bell 1994) to:

- the relative wealth of the people
- their cultural homogeneity (one ethnic group, Gurung)
- the relatively high status of women
- an openness to new ideas (as a result of tourism and the experience in the Indian and British armies of many of the men)
- the contribution of tourism to the economic viability of the scheme
- the involvement of ACAP in encouraging participation, offering technical advice and advising on management.

When these conditions do not apply, it may be preferable for an individual to purchase the equipment and charge for its use. Such a scheme operated successfully at Chirkuwa in Sankhuwasabha District where an entrepreneur established a grain-hulling service powered by a traditional *ghatta* or water wheel. Such an approach may be more effective than establishing a cooperative endeavour with which there are often difficulties, as a result of social inequalities. Since the introduction of multi-party democracy in 1991, there has been a proliferation of Non-Government Organisations (NGOs) many of which may prove to be ephemeral. All are established against a history, prior to 1991, many NGOs were under official control and dominated by the elite with nominated leaders. To be successful, new ones must originate at grassroots level and address needs that are recognised by the participants in a way of which they approve.

Product Development and Marketing

The physical isolation of many of the communities with resultant problems of transportation make it desirable that new products should have a high value, weight ratio and, related to that, the products intended for export should be aimed at the top end of the market. Nepal should and can establish a distinctive market of its own identifiably different from India, with whom it could not compete in the mass market anyway.

The potential markets for craftwork are local (within the production area), national (particularly within the Kathmandu Valley), tourist, pilgrim (metalwork) and export. Until the questions of supply and quality control have been resolved it is probably sensible not to consider the export market. In as far as it is possible there should also be assurance that the identified market

will be a continuing one. Craftspeople, in particular women, are already heavily burdened with household, farm and other duties. Any significant increase in craftwork will probably have to be at the expense of other activities and must justify this. Two particular hazards are firstly, products welling briefly as a passing fashion and, secondly, being taken up on a large scale by others who saturate the market with low-cost versions. The Swiss-imported Integrated Hill Development Project in Sindhupalchok and Dolakha Districts produced knotted allo rugs which sold well initially to the expatriate population in Kathmandu. It later became clear that the rugs were not a satisfactory product because they required an excessive quantity of allo to make, the pile did not return to shape after being trodden on and, perhaps most seriously, the rugs were hardly distinguishable from the much cheaper jute version. From elsewhere, an example of an attractive handmade item being quickly overtaken by a mass-produced imitation has been seen in the UK in recent years with Gabbeh rugs.

Identifying new products must be undertaken with the greatest care. The craftspeople themselves must be involved in every aspect from the very beginning. In the Koshi hills, each item sold had an explanatory label describing its source and the methods used together with the craftsperson's name. Identifying the maker is recognition of and an encouragement to the maker and this personal touch is also helpful in marketing. The adviser is the bridge between the producer and the market and must thoroughly understand both and look constantly in both directions. It is a self-effacing role—suggesting, encouraging, cautioning but never domineering. The right personality is equally important with technical skills and an understanding of the markets. The limited success of CI projects—and the consequential reluctance of aid agencies to support them—may often have been a result of a failure to identify such a person.The need to clearly identify the market in mind was illustrated in the early years of KHARDEP. The local market was targeted but the initial interventions with dhaka cloth led to the production of items with designs and colour schemes which might well have been acceptable in Western markets but which were not appreciated, and thus not saleable in Nepal—a particularly discouraging experience at that early stage.

Later, particularly with dhaka when more appropriate colour schemes, higher quality yarns and new patterns were introduced, but to a lesser extent with allo tweed, allo knitwear and Santang embroidery, the new items sold themselves once they became known through exhibitions and fashion shows in Kathmandu organised by KHARDEP and others and through the production of two illustrated booklets (Dunsmore 1981 and 1985). Allo tweed met an existing need for cloth suitable for men's winter jackets and waistcoats previously satisfied by more expensive, imported cloth such as Harris tweed. Dhaka and allo textiles made an immediate appeal to both the more affluent urban population and expatriates. Export of dhaka and later knitted allo were achieved through a few expatriates making the items known to potential outlets in the UK. The initial response was thus inevitably slow but this had the advantage that questions of supply and quality control could be addressed. In this the establishment of a sub-branch of the Cottage Industry Emporium in Terhathum manned by a dedicated Nepali manager and a VSO fashion designer was particularly helpful. An allo weavers club, established for such a purpose at Sisuwatar (where water was available for washing cloth and for possible use for hydro-power, and the buildings were constructed on a self-help basis with the support of the British Ambassador's Special Fund) has been successfully used as a training centre but still faces difficulties with marketing. This may be because of the greater physical dispersion of the weavers making access less easy (the Terhathum emporium was sited in the District town; there was no comparable site for the allo centre). Much though depends on the character and standing of those involved. Again, local sale of goods is usually undertaken for cash or exchange; the transaction is completed at once. Where craftspeople come together to form a marketing group and the items are sold in urban centres, it is often difficult for participants to understand the reasons for delay in payments to them and the need to allow for the cost involved in despatching goods and allowing for the possibility of them being lost of left unsold. There is unfortunately therefore much opportunity for misunderstandings and disagreement. This appears to have been the case with the Sisuwatar weavers centre.

Training

In the Koshi hills, the basic skills of weaving, knitting, embroidery and basketry existed already. Where these had to be modified or adapted, the craftspeople who first tested or identified the new techniques were prepared to help others. As the dhaka market expanded, a number of the weavers took on and trained other people, including men in some cases. When people in Dhading and Gorkha District wished to produce the new allo products, weavers from Sankhuwasabha went there to run workshops (paid for by GTZ). This was doubly beneficial—the weavers concerned had both the technical ability and the understanding from their own experience of what was practically possible within the context of a farming household. Similarly, an Ankhisalla Rai basketmaker ran workshops in the terai. Any project to assist CI development must have the flexibility to identify appropriate trainers without the need to require formal qualifications or attachment to an institution.

Religious Connotations

In any society where religion plays a role in everyday life, some craft will be involved. In Sankhuwasabha District, the Kulung Rai believe that allo was associated with the creation of the world and the traditional red and blue striped allo cloth called

lalachaar or *lukspa* is still used during shaman's ceremonies. But such uses do not inhibit the development of alternative uses for allo cloth. Again, the figurative icons produced by the metalworkers in Kathmandu may be sold to tourists or to pilgrims. The figure will be sacrilized if it is to be used for religious purposes (Teague 1998).

Sociological Aspects

Probably the majority of households have long-standing debts either to shopkeepers or to local moneylenders and this may limit their options. The Women's Training Centre, Dhankuta, ran a successful programme with the Atpare Rai women in the village of Santang near the District headquarters of Dhankuta. A promising innovation for income generation was the adaptation of traditional embroidery skills employed for shawls and other items for their own use to produce items for sale. However, most of the women had long been indebted to shopkeepers in the bazaar and met their obligations by supplying fuelwood, fodder and labour. Such activities were exhausting, time-consuming and adversely affected the feeding of young babies, but the women were reluctant to abandon them and thus displease their patrons (Nepal, undated). Until there was certainty about the success of the new enterprise, the women did not feel able to abandon their existing sources of off-farm income. Without giving them up, they had insufficient time to produce enough embroidered items for sale to meet the cost of items from the bazaar and pay off their debts. This problem restricted the development of the embroidery programme: it continues in a limited way through regular orders, mainly for embroidered borders, from the Association of Craft Producers. Furthermore, the experience of coming together in their club building to run the enterprise and other aspects of the WTC work (particularly literacy programmes) and the complementary Save The Children Fund (SCF) programme (health and agriculture) noticeably aroused the active interest of the women in development and gave a number of them sufficient self-confidence to confront government and other agency officials on matters related to this, such as a drinking water supply scheme.

Accessibility

Almost all rural communities in highland Nepal are accessible only on foot, often involving a journey of up to a week from the nearest roadhead or airstrip. Although such journeys are unremarkable to local people (to some extent, accessibility is a matter of perception) they are obviously an obstacle to development, in terms of communications and transport of products. This has been ameliorated to a degree, over the last decade, by increasing availability of telephone and fax facilities.

At the time of the initiation of the development of dhaka cloth, the town of Terhathum (the centre of the activity) was becoming increasingly accessible. Previously the nearest roadhead, at Phusre in the terai had been three-to-four day walk away. By the mid-1980s increasing road access had reduced this to one to two days. In good weather, the town is now accessible by 4-wheeled drive vehicles. In terms of sales of dhaka, access to the production areas has not been a difficulty and weavers have travelled to Kathmandu and buyers have gone to Terhathum.

The major market for the high quality items is in the Kathmandu Valley and, largely through there, to export markets. Fashion designers and others involved obviously find it most convenient to have their sources of supply close to hand. There have been a few incidences of weavers being induced to move to Kathmandu. This clearly negates a main objective of the programme which is to reduce rural poverty and enable people to remain in their own villages. Obviously though the individual weaver must have the right to make their own decision. (To be nearer their market, groups of Rai basketmakers now work in the Kathmandu Valley for 4-6 months after which they return home and are replaced by another group, C. Jest 1998, pers. comm.).

Government Policies

Both before and after democratization (1991), the Government of Nepal has specifically attempted to support the development of cottage industries. It is suggested that several aspects of fiscal policy might be reviewed.

Notionally since 1976 but particularly over the last decade, the Forest Department has worked to establish local control over forest resources through the establishment of Forest Users Groups. This has been a new role for them and a substantial change from their traditional regulatory and revenue-raising duties, which often led to hostility from the public. It has required training in new techniques and an acceptance of an advisory role. Progress has inevitably been slow; it has been estimated that less than 3% of the total forest area has been so registered (Chandrasekharan 1998). The Department is also handicapped by a shortage of the scientific information which is required for the preparation of working plans and for advising Village Development Committees on appropriate levels of royalties.

Most CI items are taken to Kathmandu by porter and then by road, usually by bus. On the way, the items are liable to be subjected to a tax by each District through which they pass (8 or 9 from Terhathum to Kathmandu). These are not always imposed and when they are, they tend to be limited to larger baggage placed on the roof of the bus and not to smaller bundles carried inside by the traveller. Searches though are particularly thorough at Thhamkot, the entry point to Kathmandu. Such taxation seems unjustified and acts as a discouragement to the expansion of the CI market.

A number of potential markets for dhaka and allo in the UK have been lost because buyers have been unable or unwilling to accept the condition that payment for all exports must be received before items are dispatched. If the law cannot be abolished in its entirety it would be most helpful to CI if exports valued at say under NCR 250 000 (approximately £2 500) were exempted.

Conclusions

Experience in the Koshi hills and elsewhere in Nepal has shown that the skills of the craftspeople in the highland regions of Nepal producing textiles, basketry and embroidery are of a higher order than simply artisans producing items to meet local needs. Many, particularly of the dhaka weavers, are artist-craftspeople fully capable of competing on the international market. Sensitive and informed support in terms of product development, market identification and suitable labour saving equipment can enable these people to achieve a cash income which will release them from poverty with resultant improvement in their social-economic situation. The consequences of this include better nutrition for their children and improved prospects for their education and also a reduction in environmental degradation.

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